

INVESTMENT ADVISER

CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP
Boston, Massachusetts 02110

CUSTODIAN OF ASSETS

STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

TRANSFER AGENT

DST ASSET MANAGER SOLUTIONS, INC.
P.O. Box 219252
Kansas City, Missouri 64121-9252

TELEPHONE NUMBERS

For information about:

- Account Procedures
- Purchases
- Redemptions
- Exchanges
Call 800-343-5678
- New Account Procedures and Status
- Prospectus & SAI
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings
for the 1st & 3rd Quarters
Call 800-345-4048

MAILING ADDRESS

The CGM Funds
c/o DST Asset Manager Solutions, Inc.
P.O. Box 219252
Kansas City, MO 64121-9252

WEBSITE

www.cgmfunds.com

CGM Focus Fund

91st Quarterly Report
June 30, 2020

A No-Load Fund

This report has been prepared for the shareholders of the Fund and is not authorized for distribution to current or prospective investors in the Fund unless it is accompanied or preceded by a prospectus.



Investment Adviser

**Capital Growth Management
Limited Partnership**

To Our Shareholders:

CGM Focus Fund increased 21.3% during the second quarter of 2020 compared to a return of 20.5% for the Standard and Poor's 500 Index ("S&P 500 Index"). For the first six months of the year, CGM Focus Fund decreased -27.6% and the S&P 500 Index decreased -3.1%.

In the wake of a stormy late February and March, the market experienced a surprisingly strong rebound in the second quarter of 2020. The rally was not without its bumps as stocks continued to move in response to the economic impact of the novel coronavirus. A remarkably strong start to April briefly stalled when the Commerce Department reported March retail sales declined 8.7%. Additionally, consumer spending for March plummeted 7.5% and personal consumption also plunged 7.5%. All three drops could be directly attributed to temporary retail store closures, employee layoffs and furloughs. Throughout April the Labor Department reported unprecedented numbers of weekly unemployment applications and, by the end of the month, a record 12.4% of the U.S. workforce was drawing unemployment benefits. The market was also strained by an emerging oil price war between Saudi Arabia and Russia coupled with tumbling demand for oil in a virus locked-down world. U.S. oil futures briefly dropped below zero for the first time in history. However, stocks bounced back thanks to the Federal Reserve's aggressive stimulus plan and a \$484 billion US government aid package that included funding for the Paycheck Protection Program, aid for hospitals and increased virus testing. On April 29, the Commerce Department estimated that U.S. GDP fell almost 5% in the first quarter, ending the longest economic expansion on record. The news depressed stock prices slightly, but the market still enjoyed its best monthly performance since January 1987, returning 12.7% in April 2020.

The market held on into May drawing strength from hopeful developments in battling the novel coronavirus and emerging signs of economic recovery. Record supply cuts by OPEC and its allies as well as rising demand in those parts of the world emerging from lockdown helped revive the price of

oil. Quarantine restrictions began to ease, allowing some businesses to resume operations. In early May, the Labor Department reported a record unemployment rate of 14.7% in April, indicating that an entire decade's worth of job creation had been eliminated in just one month. However, weekly jobless claims declined steadily through May and ultimately fell to a seasonally adjusted 2.1 million by the end of the month, suggesting the worst might be over. On May 27, the S&P 500 Index closed above 3,000 for the first time in three months as reports of opening restaurants and bookings at hotels and airlines provided early hints of an increase in consumer spending. On May 29, the Commerce Department reported personal income surged 10.5% in April, largely driven by payments from federal rescue programs. The S&P 500 Index returned more than 4% in May which combined with April's numbers, culminated in the strongest two-month performance since 2009.

U.S. stocks continued their resurgence in early June as federal stimulus money filtered into the financial markets and lifted asset prices. Tweaks and fixes to the federal Paycheck Protection Program extended loan payment provisions and further eased the requirements governing forgivable small business loans. The Labor Department provided some welcome news when it reported that the economy added 2.5 million jobs in May, restoring some of the losses endured during the first two months of the pandemic. The last time jobs were added to the economy on this scale in a single month was 1948. But stocks still remained sensitive to the impact of the pandemic and on June 11, the S&P 500 Index fell 5.9% as virus cases increased in several states and the total number of cases in the U.S. exceeded 2 million. Again, encouraging economic indicators helped the market rebound through the end of the month. The Commerce Department reported that retail spending jumped 17.7% in May for its largest increase since 1992. New home sales also soared a surprising 16.6% for the month of May. Meanwhile, prices for oil, copper and raw materials also began to rise, providing early evidence of recovering global growth and demand. Following the difficult and

precipitous decline of the first quarter, the market ultimately staged a remarkable turnaround in the second three months of the year with the S&P 500 Index posting its best quarterly performance since 1998.

The 10-year U.S. Treasury bond yielded 0.7% at the start of the quarter and reached a high of 0.9% on June 5 in response to the Labor Department's release of the encouraging May jobs report. By the end of the quarter the yield was back at 0.7% as a growing number of virus cases and their potential impact on the reopening of the economy pushed investments to the relative safety of government debt. The S&P 500 Index was priced at 22.2 times the trailing twelve-month earnings on June 30. While the overall market remains expensive, we are encouraged by opportunities in what we believe to be relatively modestly priced stocks in certain sectors as the economy begins to recover.

On June 30, 2020, CGM Focus Fund was 26.1% invested in housing and building materials, 15.6% invested in drugs and 11.1% invested in home products. The Fund's three largest holdings were Meritage Homes Corporation (housing and building materials), Thor Industries, Inc. (home products) and Horizon Therapeutics Public Limited Company (drugs).



David C. Fietze
President

July 2, 2020

INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended June 30, 2020

	The Fund's Cumulative Total Return (%)		The Fund's Average Annual Total Return (%)	
10 Years.....	+	1.9	+	0.2
5 Years.....	-	41.4	-	10.1
1 Year.....	-	26.6	-	26.6
3 Months....	+	21.3	—	

The performance data contained in the report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions.

The investment return and the principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

CGM FOCUS FUND

PORTFOLIO DIVERSIFICATION as of June 30, 2020

(unaudited)

COMMON STOCKS

Industry	Percent of Net Assets
Housing and Building Materials	26.1 %
Drugs	15.6
Home Products	11.1
Retail	7.8
Health Care Services	5.7
Financial Services - Miscellaneous	5.5
Electrical Equipment	5.2
Electronic and Communication Equipment	5.1
Computer Software and Services	5.1
Leisure	4.7
Textile and Apparel	3.8

SCHEDULE OF INVESTMENTS as of June 30, 2020

(unaudited)

COMMON STOCKS — 95.7% OF TOTAL NET ASSETS

	Shares	Value(a)
Computer Software and Services — 5.1%		
Adobe Systems Incorporated (b).....	33,000	\$ 14,365,230
Drugs — 15.6%		
AbbVie Inc.....	120,000	11,781,600
Eli Lilly and Company.....	50,000	8,209,000
Horizon Therapeutics Public Limited Company (b)(c)(d).....	300,000	16,674,000
Vertex Pharmaceuticals Inc (b).....	25,000	7,257,750
		<u>43,922,350</u>
Electrical Equipment — 5.2%		
Teradyne, Inc.....	175,000	14,789,250
Electronic and Communication Equipment — 5.1%		
Nokia Corporation ADR (d).....	3,300,000	14,520,000
Financial Services - Miscellaneous — 5.5%		
PennyMac Financial Services, Inc.....	370,000	15,462,300
Health Care Services — 5.7%		
Centene Corporation (b).....	140,000	8,897,000
Molina Healthcare, Inc. (b).....	40,000	7,119,200
		<u>16,016,200</u>

See accompanying notes to financial statements.

CGM FOCUS FUND

SCHEDULE OF INVESTMENTS as of June 30, 2020 (continued)

(unaudited)

COMMON STOCKS (continued)

Home Products — 11.1%	Shares	Value(a)
Thor Industries, Inc.....	160,000	\$ 17,044,800
Winnebago Industries, Inc.....	215,000	14,323,300
		<u>31,368,100</u>
Housing and Building Materials — 26.1%		
D.R. Horton, Inc. (c).....	250,000	13,862,500
KB Home.....	480,000	14,726,400
Lennar Corporation (c).....	220,000	13,556,400
LGI Homes, Inc. (b).....	80,000	7,042,400
Meritage Homes Corporation (b)(c).....	250,000	19,030,000
PulteGroup, Inc.....	50,000	1,701,500
Taylor Morrison Home Corporation (b).....	190,000	3,665,100
		<u>73,584,300</u>
Leisure — 4.7%		
Brunswick Corporation.....	205,000	13,122,050
Retail — 7.8%		
Best Buy Co., Inc.....	100,000	8,727,000
Dollar General Corporation.....	70,000	13,335,700
		<u>22,062,700</u>
Textile and Apparel — 3.8%		
Deckers Outdoor Corporation (b).....	55,000	10,801,450
TOTAL COMMON STOCKS (Identified cost \$234,046,482).....		<u>270,013,930</u>
SHORT-TERM INVESTMENT — 4.0% OF TOTAL NET ASSETS	Face Amount	
Tri-party Repurchase Agreement with Fixed Income Clearing Corporation, dated 06/30/2020 at 0.00% to be repurchased at \$11,220,000 on 07/01/2020 collateralized by \$10,104,000 U.S. Treasury Note, 2.25% due 08/15/2027 valued at \$11,433,389 including interest. (Cost \$11,220,000)(e).....	\$ 11,220,000	11,220,000
TOTAL INVESTMENTS — 99.7% (Identified cost \$245,266,482).....		281,233,930
Cash and receivables.....		13,073,651
Liabilities.....		(12,345,698)
TOTAL NET ASSETS — 100.0%		<u>\$ 281,961,883</u>

See accompanying notes to financial statements.

- (a) See Note 2A.
- (b) Non-income producing security.
- (c) A portion of this security has been segregated as collateral in connection with short sale investments (See Note 2E).
- (d) At June 30, 2020, the Fund had approximately 5.9% of net assets invested in a company incorporated in Ireland and approximately 5.1% of net assets invested in a company incorporated in Finland.
- (e) See Note 2H.

ADR: American Depositary Receipt - a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the U.S. or Canada.

CGM FOCUS FUND

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2020 (unaudited)

Assets

Investments in securities, at value:		
(Identified cost \$245,266,482).....	\$	281,233,930
Cash.....		309
Deposits with brokers for short sales.....		57,638
Receivable for:		
Securities sold.....	\$12,886,128	
Shares of the Fund sold.....	8,100	
Dividends and interest.....	98,537	
Reimbursement from investment adviser.....	22,939	13,015,704
Total assets.....		<u>294,307,581</u>

Liabilities

Payable for:		
Securities purchased.....	11,705,086	
Shares of the Fund redeemed.....	241,805	11,946,891
Accrued expenses:		
Management fees.....	229,390	
Trustees' fees.....	25,235	
Accounting, administration and compliance expenses.....	31,806	
Transfer agent fees.....	66,290	
Other expenses.....	46,086	398,807
Total liabilities.....		<u>12,345,698</u>

Net Assets..... \$ 281,961,883

Net Assets consist of:

Capital paid-in.....	\$	582,961,441
Accumulated loss.....		(300,999,558)

Net Assets..... \$ 281,961,883

Shares of beneficial interest outstanding, no par value..... 11,305,030

Net asset value per share*..... \$24.94

* Shares of the Fund are sold and redeemed at net asset value (\$281,961,883 ÷ 11,305,030).

STATEMENT OF OPERATIONS

Six Months Ended June 30, 2020 (unaudited)

Investment Income

Income:		
Dividends (net of withholding tax of \$26,741).....	\$	3,042,411
Interest.....		2,511
		<u>3,044,922</u>

Expenses:

Management fees.....	1,539,171
Trustees' fees.....	50,066
Accounting, administration and compliance expenses.....	196,224
Custodian fees and expenses.....	35,996
Transfer agent fees.....	265,909
Audit and tax services.....	26,587
Legal.....	40,569
Printing.....	25,361
Registration fees.....	13,526
Interest expense on short sales.....	978,943
Miscellaneous expenses.....	10,174
	<u>3,182,526</u>
Less expense reimbursement.....	(44,578)
Net expenses.....	<u>3,137,948</u>
Net investment loss.....	<u>(93,026)</u>

Realized and Unrealized Gain (Loss) on Investments

Net realized losses on investments :	
Long transactions.....	(71,635,705)
Short transactions.....	(2,676,222)
	<u>(74,311,927)</u>

Net change in unrealized depreciation on investments :	
Long transactions.....	(4,919,834)
Short transactions.....	(38,472,028)
	<u>(43,391,862)</u>

Net realized and unrealized losses on investments.....	(117,703,789)
--	---------------

Change in Net Assets from Operations..... \$(117,796,815)

See accompanying notes to financial statements.

CGM FOCUS FUND

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2020 (unaudited)	Year Ended December 31, 2019
From Operations		
Net investment income (loss).....	\$ (93,026)	\$ 3,130,179
Net realized losses on investments.....	(74,311,927)	(108,200,874)
Net change in unrealized appreciation (depreciation) on investments.....	(43,391,862)	24,689,022
Change in net assets from operations.....	(117,796,815)	(80,381,673)
From Distributions to Shareholders		
Total distributions.....	—	(3,807,425)
From Capital Share Transactions		
Proceeds from sale of shares.....	1,739,441	4,440,344
Net asset value of shares issued in connection with reinvestment of distributions.....	—	3,400,723
	1,739,441	7,841,067
Cost of shares redeemed.....	(41,066,439)	(134,765,301)
Change in net assets derived from capital share transactions.....	(39,326,998)	(126,924,234)
Total change in net assets.....	(157,123,813)	(211,113,332)
Net Assets		
Beginning of period.....	439,085,696	650,199,028
End of period.....	<u>\$ 281,961,883</u>	<u>\$ 439,085,696</u>
Number of Shares of the Fund:		
Issued from sale of shares.....	65,652	122,169
Issued in connection with reinvestment of distributions.....	—	98,600
	65,652	220,769
Redeemed.....	(1,494,999)	(3,715,897)
Net change.....	<u>(1,429,347)</u>	<u>(3,495,128)</u>

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2020 (unaudited)	For the Year Ended December 31,				
		2019	2018	2017	2016	2015
For a share of the Fund outstanding throughout each period:						
Net asset value at beginning of period.....	\$ 34.48	\$ 40.06	\$53.35	\$42.74	\$39.20	\$ 40.88
Net investment income (loss) (a)(b).....	(0.01)	0.22	(0.12) (c)	(0.67)	(0.41)	(0.52)
Net realized and unrealized gains (losses) on investments and foreign currency transactions.....	(9.53)	(5.50)	(13.03)	11.28	3.95	(1.16)
Total from investment operations.....	(9.54)	(5.28)	(13.15)	10.61	3.54	(1.68)
Dividends from net investment income.....	—	(0.30)	(0.14)	—	—	—
Net increase (decrease) in net asset value.....	(9.54)	(5.58)	(13.29)	10.61	3.54	(1.68)
Net asset value at end of period.....	<u>\$ 24.94</u>	<u>\$ 34.48</u>	<u>\$ 40.06</u>	<u>\$53.35</u>	<u>\$42.74</u>	<u>\$ 39.20</u>
Total return (%).....	(27.6)	(13.1)	(24.7)	24.8	9.0	(4.1)
Ratios:						
Net operating expenses after waiver (%)**.....	1.40 *	—	—	—	—	—
Dividends and interest expenses on short positions (%)**..	0.64 *	—	—	—	—	—
Total net expenses after waiver (%)**.....	<u>2.04 *</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total operating expenses before waiver (%)**.....	1.43 *	1.32	1.18	1.16	1.20	1.13
Dividend and interest expense on short positions (%)**.....	0.64 *	0.44	1.27	1.92	1.25	1.09
Total expenses before waiver (%)**.....	<u>2.07 *</u>	<u>1.76</u>	<u>2.45</u>	<u>3.08</u>	<u>2.45</u>	<u>2.22</u>
Net investment income (loss) (%)**.....	(0.06) *	0.60	(0.24) (c)	(1.38)	(1.13)	(1.27)
Portfolio turnover (%).....	857 *	451 (d)	403 (d)	388 (d)	334 (d)	268 (d)
Net assets at end of period (in thousands) (\$).....	281,962	439,086	650,199	997,714	936,846	1,064,927
(a) Net investment income (loss) per share excluding all related short sale income and expenses (\$).....						
	0.08	0.38	0.51	0.26	0.04	(0.07)
(b) Per share net investment income (loss) has been calculated using average shares outstanding during the period.						
(c) Net Investment loss per share reflects non-recurring dividends which amounted to \$0.17 per share. Excluding these non-recurring dividends, the ratio of net investment loss to average net assets would have been (0.58)%.						
(d) Includes short sale bond transactions.						
* Calculated on an annualized basis.						
** Calculated based on average net assets.						

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS — June 30, 2020

(unaudited)

1. Organization — CGM Focus Fund (the "Fund") is a diversified series of CGM Trust (the "Trust") which is organized as a Massachusetts business trust under the laws of Massachusetts pursuant to an Agreement and Declaration of Trust. The Trust is registered under the Investment Company Act of 1940 as an open-end management investment company and is following accounting and reporting guidance in the Financial Accounting Standards Board's ("FASB") Topic 946 "*Financial Services—Investment Companies*". The Trust has two other funds whose financial statements are not presented herein. The Fund commenced operations on September 3, 1997. The Fund's investment objective is long-term growth of capital. The Fund intends to pursue its objective by investing in a smaller number of companies, and/or in a more limited number of sectors than other diversified mutual funds. In addition, should the investment outlook of the Fund's investment adviser so warrant, the Fund may engage in a variety of investment techniques including short sales designed to capitalize on declines in the market price of specific securities of one or more companies, or declines in market indexes or government securities.

2. Significant accounting policies — Management has evaluated the events and transactions from June 30, 2020 through the date of issuance of the Fund's financial statements. For the Fund, there were no material subsequent events that required disclosure in the financial statements or footnotes.

A. Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees (the "Board"). Equity securities listed or regularly traded on a securities exchange or in the over-the-counter ("OTC") market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sale reported, the last reported bid price is used for long positions and the last reported ask price for short positions. Corporate debt securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board, which determines valuations for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. United States government debt securities held long are valued at the current closing bid and if held short are valued at the current closing ask, as last reported by a pricing service approved by the Board.

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board. For example, when developments occur between the close of a market and the close of the New York Stock Exchange ("NYSE") that may materially affect the value of some or all of the securities, or when trading in a security is halted, these procedures may be used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security's assigned level within the fair value hierarchy described below. The value of securities used for net asset value ("NAV") calculation under these procedures may differ from published prices for the same securities.

The Fund may use valuation techniques consistent with the market, income, and cost approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows, earnings) to a single present amount. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund utilizes a fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels:

CGM FOCUS FUND

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

- Level 1 - Prices determined using: quoted prices in active markets for identical securities that the Fund has the ability to access at the measurement date. Valuation adjustments are not applied to Level 1 investments.
- Level 2 - Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).
- Level 3 - Prices determined using: significant unobservable inputs, including the Fund's own assumptions and judgment in determining the fair value of investments. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances. Investments falling into the Level 3 category are primarily supported by quoted prices from brokers and dealers participating in the market for those investments. However, these may be classified as Level 3 investments due to lack of market transparency and corroboration to support these quoted prices. Additionally, valuation models may be used as the pricing source for any remaining investments classified as Level 3. These models rely on one or more significant unobservable inputs and/or significant assumptions by Capital Growth Management Limited Partnership, the Fund's investment adviser ("CGM"). Inputs used in valuations may include, but are not limited to, financial statement analysis, capital account balances, discount rates and estimated cash flows, and comparable company data.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's investments as of June 30, 2020:

Classification	Valuation Inputs		
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	\$ 270,013,930	—	—
Short-Term Investment Repurchase Agreement.....	—	\$ 11,220,000	—
Total.....	<u>\$ 270,013,930</u>	<u>\$ 11,220,000</u>	<u>—</u>

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

B. Security transactions and related investment income — Security transactions are accounted for on the trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on the trade date (date the order to buy or sell is executed). Dividend income and expense is recorded on the ex-dividend date net of applicable foreign taxes and fees, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable based upon its current interpretations of the tax rules and regulations that exist in the markets in which it invests. Interest income and expense is recorded on an accrual basis and includes amortization of premium and discount. Net gain or loss on securities sold is determined on the identified cost basis and may include proceeds from litigation. Dividend payments received by the Fund from its investment in real estate investment trusts ("REITs") may consist of ordinary income, capital gains, and return of

CGM FOCUS FUND

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

capital and as such are recorded as dividend income, capital gains or a reduction to security cost, as appropriate. Distributions from publicly traded partnerships are generally recorded based on the characterization reported on the Fund's schedule K-1 received from the partnership. Non-cash dividend payments, if any, are recorded at the fair market value of the securities received.

- C. Federal income taxes** — It is the Fund's policy to comply with the requirements of the Internal Revenue Code ("IRC") applicable to regulated investment companies, and to distribute to its shareholders all of its taxable income and net realized capital gains, within the prescribed time period.

Capital accounts within the financial statements are adjusted for permanent book/tax differences. These adjustments have no impact on the Fund's net assets or results of operations. Temporary book/tax differences, if any, will reverse in a subsequent period. Any difference between book basis and tax basis unrealized appreciation is attributable primarily to the temporary book/tax difference of tax deferral of losses on wash sales.

As of June 30, 2020, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-term Capital Gains	Net Unrealized Appreciation/ (Depreciation)
\$442,134	—	\$15,047,099

The identified cost of investments in securities owned by the Fund for federal income tax purposes, and their respective gross unrealized appreciation and depreciation at June 30, 2020 was as follows:

Identified Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
\$266,186,831	\$20,386,860	\$(5,339,761)	\$15,047,099

The Fund is permitted to carry forward capital losses for an unlimited period, and such losses, when carried forward, retain their character as either short-term or long-term capital losses. As of December 31, 2019, the capital loss carryforwards utilized and the accumulated net realized loss on sales of investments for federal income tax purposes which are available to offset future taxable gains, prior to distributing such gains to shareholders, are shown in the table below:

Short-term Capital Loss Carryforward Utilized	Long-term Capital Loss Carryforward Utilized	Total	Remaining Short-term Capital Loss Carryforward	Remaining Long-term Capital Loss Carryforward	Total
—	—	—	\$248,926,640	—	\$248,926,640

Management has concluded that there are no significant uncertain tax positions for the open tax years as of December 31, 2019 that would require recognition in the financial statements. However, management's conclusion may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). Generally, the Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

- D. Dividends and distributions to shareholders** — Dividends and distributions are recorded by the Fund on the ex-dividend date. The classification of income and capital gains distributions is determined in accordance with income tax regulations. Distributions from net investment income and short-term capital gains are treated as ordinary

CGM FOCUS FUND

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

income for income tax purposes. Permanent book/tax differences relating to shareholder distributions may result in reclassifications to paid-in capital or accumulated realized gain/(loss). The Fund also may utilize earnings and profits distributed to shareholders on redemption of shares as a part of the dividend deduction for income tax purposes. Undistributed net investment income or accumulated net investment loss may include temporary book/tax differences such as tax deferral of losses on wash sales and disallowed interest expense deduction, which will reverse in a subsequent period. Any taxable income or gain remaining at fiscal year end is distributed in the following year.

The tax characterization of distributions is determined on an annual basis. The tax character of distributions paid during the periods ended December 31, 2019 and 2018 were as follows:

Year	Ordinary Income	Long-term Capital Gains	Total
2019	\$3,807,425	—	\$3,807,425
2018	\$2,338,045	—	\$2,338,045

- E. Short sales** — The Fund engages in short sales of securities. A short sale is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund makes a short sale, it must borrow the security sold short to make delivery to the buyer. The Fund is then obligated to replace the security borrowed by purchasing the security at the market price at the time of the replacement. The Fund is liable for any fees, dividends or interest paid on securities sold short, which are recorded as expenses on the Statement of Operations. The net amount of income and/or fees are included as interest expense on short sales on the Statement of Operations. While the short sale is outstanding, the Fund is required to collateralize its obligations, which has the practical effect of limiting the extent to which the Fund may engage in short sales. Under certain market conditions, short sales can increase the volatility of the Fund and may lower the Fund's return or result in losses, which potentially may be unlimited. The market value of securities held in a segregated account at June 30, 2020 was \$36,088,700 and the value of cash held in a segregated account at June 30, 2020 was \$57,638.
- F. Guarantees and indemnifications** — Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties for the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss from such claims is considered remote.
- G. Foreign currency translation** — All assets and liabilities initially expressed in terms of foreign currencies are translated into U.S. dollars each day at the prevailing exchange rate. Transactions affecting Statement of Operations accounts and net realized gain or loss on investments are translated at the rates prevailing at the dates of the transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Reported net realized foreign exchange gains or losses arise from sales of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities other than investments in securities at the end of the period, resulting from changes in the exchange rate.

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

- H. Repurchase agreements** — The Fund enters into repurchase agreements, under the terms of a Master Repurchase Agreement, secured by U.S. Government or Agency securities, which involve the purchase of securities from a counterparty with a simultaneous commitment to resell the securities at an agreed upon date and price. Certain repurchase agreements are tri-party arrangements whereby the collateral is held in a segregated account for the benefit of the Fund and on behalf of the counterparty. Repurchase agreements afford the Fund the opportunity to earn a return on temporarily available cash at minimal market risk. While the underlying security may be a bill, certificate of indebtedness, note or bond issued by an agency, authority or instrumentality of the U.S. Government, the obligation of the seller is not guaranteed by the U.S. Government and there is a risk that the seller may fail to repurchase the underlying security. Consequently, there may be possible delays or restrictions upon the Fund's ability to dispose of the underlying securities. Upon an event of default under the Master Repurchase Agreement, the Fund would attempt to exercise its rights with respect to the underlying security, including taking possession of the cash and/or collateral provided by the seller.

At June 30, 2020, the Fund had an investment in a repurchase agreement with a gross value of \$11,220,000 on the Statement of Assets and Liabilities. The value of the related collateral consisting of cash, interest and/or securities of \$11,433,389 exceeded the value of the repurchase agreement at June 30, 2020 by \$213,389.

- I. Use of estimates** — The preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Risks and uncertainties

- A. Risks associated with focused investing** — The Fund, although diversified, takes a focused approach to investing within particular industries or sectors of the economy and may invest in a relatively small number of individual holdings. Therefore, the Fund may be subject to greater price volatility and may be more adversely affected by the performance of particular industries, sectors, or individual holdings than would a more diversified fund. In addition, funds that invest more heavily in certain industries, sectors or individual holdings are particularly susceptible to the impact of market, economic, regulatory and other factors affecting those investments.
- B. Risks associated with foreign investments** — The Fund may invest in securities issued by institutions, corporations, and governments established by or located in foreign countries, which may be developed or undeveloped countries. Investing in foreign securities may involve significant risks. For example, there is often less publicly available information about foreign companies, particularly those not subject to the disclosure and reporting requirements of the U.S. securities laws. Foreign issuers are often not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Investments in foreign securities also involve the risk of possible adverse changes in investment or exchange control regulations, expropriation or confiscatory taxation, political or financial instability or diplomatic and other developments which could affect such investments. Foreign stock markets, while growing in volume and sophistication, are often not as developed as those in the U.S., and securities of some foreign issuers (particularly those located in developing countries) may be less liquid and more volatile than securities of comparable U.S. companies. There may also be less overall governmental supervision and regulation of foreign securities markets, broker-dealers and issuers than in the U.S. Additionally, because some foreign securities the Fund may acquire are purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control

CGM FOCUS FUND

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

regulations. There is no limit on the amount that the Fund may invest in issuers located in a single country or in foreign countries in the aggregate. To the extent the Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on Fund performance relative to a more geographically diversified fund.

C. Recent events — Financial markets have experienced and may continue to experience significant volatility resulting from the spread of the virus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of COVID-19 have adversely affected, and may continue to adversely affect, the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the fund's performance.

4. Purchases and sales of securities — For the period ended June 30, 2020, purchases and sales of securities other than U.S. Government or Agency obligations and short-term investments aggregated \$1,303,875,226 and \$1,401,155,697, respectively.

5. Fees and expenses

A. Management fees — During the period ended June 30, 2020, the Fund incurred management fees of \$1,539,171, paid or payable monthly to CGM, certain officers and employees of which are also officers and trustees of the Fund. The management agreement provides for a fee at the annual rate of 1.00% on the first \$500 million of the Fund's average daily net assets, 0.95% of the next \$500 million of the Fund's average daily net assets and 0.90% on amounts in excess of \$1 billion of the Fund's average daily net assets.

The investment adviser has agreed to waive its fees and/or reimburse expenses of the Fund to the extent necessary to reduce the Fund's total annual operating expenses by 0.10%. This arrangement is expected to remain in effect through April 30, 2021 and may not be terminated prior to that date without the consent of the Fund's Board of Trustees. As a result of the agreed waiver, year-to-date, CGM waived \$44,578 of its management fee.

B. Other expenses — The majority of expenses are directly attributable to the Fund. Expenses that are not readily attributable to the Fund are allocated among each of the three funds comprising the Trust in an equitable manner, taking into consideration, among other things, the nature and type of expense and the funds' respective net assets. CGM performs certain administrative, accounting, compliance and other services for the Fund. The expenses of those services, which are paid to CGM by the Fund, include the following: (i) expenses for personnel performing bookkeeping, accounting and financial reporting and clerical functions relating to the Fund; (ii) expenses for services required in connection with the preparation of registration statements and prospectuses, shareholder reports and notices, proxy solicitation material furnished to shareholders of the Fund or regulatory authorities and reports and questionnaires for Securities and Exchange Commission ("SEC") compliance; (iii) registration, filing and other fees in connection with requirements of regulatory authorities and (iv) compliance in connection to the Investment Company Act of 1940 and the Sarbanes-Oxley Act of 2002. The accounting, administration and compliance expenses of \$196,224, for the period ended June 30, 2020, are shown separately in the Statement of Operations. These expenses include the reimbursement of a portion of the compensation expenses incurred by CGM for its employees who provide these administrative, accounting, compliance, and other services to the Fund, including \$167,167 of the salaries of CGM employees who are officers of the Fund.

C. Trustees fees and expenses — The Fund does not pay any compensation directly to any trustees who are "interested persons" (as defined in the Investment Company Act of 1940) of CGM or any affiliate of CGM (other than registered investment companies). For the period ending December 31, 2020, each disinterested trustee will be compensated by the Trust with an annual fee of \$90,000 plus travel expenses for each meeting attended. The disinterested trustees are responsible for the audit committee functions of the Trust's Board and have designated a

CGM FOCUS FUND

NOTES TO FINANCIAL STATEMENTS (continued)

(unaudited)

disinterested trustee to lead the Board's efforts in overseeing those functions, who receives an additional \$30,000 annually. Of these amounts, the Fund is responsible for \$10,000 per trustee annually, plus an annual variable fee calculated based on the proportion of the Fund's average net assets relative to the aggregate average net assets of the Trust.

ADDITIONAL INFORMATION

(unaudited)

Availability of proxy voting information:

Proxy voting policies and information regarding how the Fund voted proxies relating to portfolio securities during the twelve month period ended June 30, 2020 are available without charge, by calling 800-345-4048. The policies also appear in the Fund's Statement of Additional Information, which can be found on the CGM Funds' website, www.cgmfund.com, and the SEC's website, www.sec.gov. The voting records can also be found on the SEC's website on the N-PX filing.

Portfolio holdings:

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT, which is available on the SEC's website at www.sec.gov. Portfolio holdings are also disclosed in the Fund's quarterly reports. The Fund's four most recent quarterly reports can be obtained on the CGM Funds' website, www.cgmfund.com.

The Fund's Prospectus and Statement of Additional Information contain additional information on other risks and uncertainties relating to the Fund's investments. The Fund's Prospectus and Statement of Additional Information can be obtained on the CGM Funds' website, www.cgmfund.com, and the SEC's website, www.sec.gov or by calling 800-345-4048.

Advisory agreement approval:

In considering renewal of the CGM Focus Fund Advisory Agreement, the Board considered the following factors and came to the following conclusions:

1. The Board considered the nature, extent, quality and scope of the investment advisory and administrative services provided by CGM to the Fund. The Board agreed that the quality of the CGM professional team working on the Fund (including advisory, investor services, compliance, accounting and administrative personnel) was very high. The Board also considered the investment performance of the Fund and reviewed information regarding the performance of the Fund as compared to market indices and two universes of other funds (capital appreciation funds and multi-cap value funds) provided by Broadridge, Inc., an independent provider of investment company data. The Board noted the below-average performance of the Fund for the one-, three-, five-, and ten-year periods ended December 31, 2019, in each case as compared with funds in each of the Broadridge performance universes. Throughout the year, the Board engaged in regular discussions with CGM's portfolio manager (both as a group and individually) regarding the Fund's performance and the portfolio manager's investment thesis and positioning of the Fund's portfolio. The Board considered that CGM manages the Fund's investments with a focus on global trends and developments, and noted both the risks and the potential benefits of such an investment strategy. The Board concluded that, overall, the nature, extent and quality of services provided by CGM under the Advisory Agreement were sufficient for its renewal.
2. The Board discussed the costs of the services provided and profits realized by CGM from its relationship with the Fund. The Board also compared the profit margin of CGM with public information on the profit margins of a number of publicly held investment advisory firms. The Board found that CGM's profit margin was reasonable and not excessive.
3. The Board considered whether economies of scale might be realized with growth in the Fund, but in light of the fact that the Fund continued to experience net redemptions in 2019, the Board determined that there was no need to seek adjustments to the break point structure of the advisory fees paid by the Fund at this time.
4. The Board received and considered information comparing the advisory fees paid by the Fund and the overall expenses borne by the Fund with those of funds in the relevant expense universe as selected and provided by Broadridge, Inc. The Board noted that the overall expense ratio of the Fund and the advisory fee paid by the Fund were above the medians for the mutual funds included in the Broadridge expense universe, but concluded this was reasonable in light of CGM's active investment style and the flexibility of the Fund to sell securities short and to

CGM FOCUS FUND

ADDITIONAL INFORMATION (continued)

(unaudited)

leverage positions, which are strategies that many other capital appreciation mutual funds lack the flexibility to pursue. In addition, the Board noted that CGM had agreed to waive a portion of the Fund's advisory fees and/or reimburse a portion of the Fund's expenses for the period from May 1, 2020 to April 30, 2021. The Board concluded that the advisory fees paid by the Fund and the overall expenses borne by the Fund were reasonable and competitive.

In addition to the foregoing, the Board reviewed the brokerage commissions paid by the Fund and concluded that they were reasonable, particularly given CGM's focus on best execution. The Board also considered possible fall-out benefits to CGM from its relationship with the Fund. The Board did not find any such fall-out benefits to be unreasonable or inconsistent with CGM's role as investment adviser to the Fund.

FUND EXPENSES

(unaudited)

As a shareholder of CGM Focus Fund, you incur two types of costs: (1) transaction costs, which could include, among other charges, wire fees and custodial maintenance fees for certain types of accounts and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period January 1, 2020 to June 30, 2020.

Actual return and expenses

The first line of the table below provides information about actual account values and actual expenses.

You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as any wire fees or custodial maintenance fees that may be payable. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<i>Beginning Account Value 01/01/20</i>	<i>Ending Account Value 06/30/20</i>	<i>Expenses Paid During Period* 01/01/20 - 06/30/20</i>
Actual	\$1,000.00	\$ 723.61	\$ 8.74
Hypothetical (5% return before expenses)	\$1,000.00	\$1,014.73	\$10.21

* Expenses are equal to the Fund's annualized expense ratio of 2.04%, which includes expenses related to short sales activity, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

BOARD OF TRUSTEES

PETER O. BROWN
G. KENNETH HEEBNER
MARK W. HOLLAND
LESLIE A. LAKE
J. BAUR WHITTLESEY

OFFICERS

G. KENNETH HEEBNER, *Vice President*
DAVID C. FIETZE, *President & Chief Compliance Officer*
KATHLEEN S. HAUGHTON, *Vice President & Anti-Money Laundering Compliance Officer
& Director of Human Resources*
DEIDRA K. HEWARDT, *Treasurer*
LESLIE A. LAKE, *Vice President and Secretary*
MARTHA I. MAGUIRE, *Vice President*
TONY FIGUEIREDO, *Vice President*
KEVIN URE, *Vice President*
NICOLE M. FEMBLEAUX, *Assistant Vice President*

This Page Intentionally Left Blank

This Page Intentionally Left Blank

This Page Intentionally Left Blank